



Date: September 22, 2008
To: City Manager for Council Action
From: John C. Roukema, Director of Electric Utility
Subject: Approval of Call Agreement with Quantum Energy Services & Technologies, Inc. and Call No. 08-1 for the Data Center Optimization Program, a Third Party Energy Efficiency Program

EXECUTIVE SUMMARY:

In accordance with Public Utilities Code (PUC) Section 385 covering Public Benefits Charge, and with the City's Public Benefits Program Policy Statement adopted by Council on May 12, 1998, staff has developed a wide range of cost-effective energy efficiency and renewable energy programs for customers. State law requires that the utility spend a minimum of 2.85% of retail revenue on these programs, in order to spur customer investments by reducing the payback period in these areas.

Staff proposes to enter into a Call Agreement and Call No. 08-1 with Quantum Energy Services & Technologies, Inc. (QuEST) to develop a third party energy efficiency program for Data Center Optimization. This proposed program will target small data centers under 10,000 square feet within existing office or other buildings. The program will deliver assessment of all electric end uses such as facility site infrastructure loads (cooling, fans, pumps, lighting, and uninterruptible power supplies), network equipment, storage, and servers. The program scope includes comprehensive facility assessments, reports, project management service during implementation, financial incentives for energy reductions, and savings verification services. Total cost for this program will not exceed \$496,125.00. A copy of the Call Agreement, Call No. 08-1, and the QuEST Scope of Work is available for review in the Council Offices.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

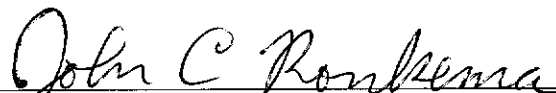
This program, already offered in the Bay Area to PG&E customers, has proven to be an effective way to motivate customers who operate small data centers within their existing facilities and help them install energy efficiency measures. Significant savings can be found in data centers, therefore customers who participate in this program will use energy more efficiently. Finally, the City of Santa Clara is required by state law to spend 2.85% of electric revenues on energy efficiency, renewable energy, low income, and electric research projects. This program helps to achieve that requirement.

ECONOMIC/FISCAL IMPACT:


Funds for the program come from the Public Benefits Charge. Total cost of this pilot program will not exceed \$496,125.00. There are sufficient funds available in Contractual Services, Not Classified [account 191-1312-87870-(I)9697-(F)94100].


RECOMMENDATION:

That the Council approve, and authorize the City Manager to execute the Call Agreement with Quantum Energy Services & Technologies, Inc, and Call No. 08-1, in an amount not to exceed \$496,125.00, for development of a Data Center Optimization Program, a third party energy efficiency program.

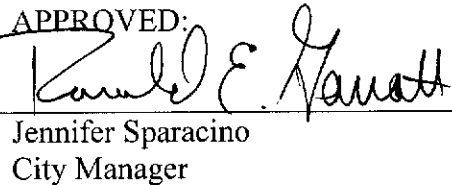


John C. Roukema
Director of Electric Utility


Certified as to Availability of Funds:
191-1312-87870 \$496,125.00



Mary Ann Parrot
Director of Finance

APPROVED:


Jennifer Sparacino
City Manager

MAJORITY VOTE OF COUNCIL

Documents Related to this Report:

- 1) *Quantum Energy Services & Technologies, Inc. Call Agreement*
- 2) *Quantum Energy Services & Technologies, Inc. Call No. 08-1 and Scope of Work*

CITY OF SANTA CLARA
AGENDA MATERIAL ROUTE SHEET

Council Date: September 30, 2008

SUBJECT: Approval of Call Agreement with Quantum Energy Services & Technologies, Inc., and Call No. 08-1 for a Data Center Optimization Program, a Third Party Energy Efficiency Program.

CERTIFICATION

The proposed Call Agreement and Call No. 08-1 with Quantum Energy Services & Technologies, Inc.
Regarding: A Data Center Optimization Program, a Third Party Energy Efficiency Program
has been reviewed and is hereby certified.

PUBLICATION REQUIRED:

The attached Notice/Resolution/Ordinance is to be published ____ time(s) at least ____ days before the scheduled meeting/public hearing/bid opening/etc., which is scheduled for _____, 2008.

AUTHORITY SOURCE FOR PUBLICATION REQUIREMENT:

Federal Codes:

Title _____ U.S.C. § _____
(Titles run 1 through 50)

California Codes:

Code _____ § _____
(i.e., Government, Street and Highway, Public Resources)

Federal Regulations:

Title _____ C.F.R. § _____
(Titles run 1 through 50)

California Regulations:

Title _____ California Code of Regulations § _____
(Titles run 1 through 28)

City

City Charter § _____ (i.e., 1310. Public Works Contracts. Notice published at least once at least ten days before bid opening)

City Code § _____

1. As to City Functions, by

John C. Ronkema HR
Department Head

2. As to Legality, by

Sunday Speck
City Attorney's Office/CAO Assignment No. 08. 1341

3. As to Environmental
Impact Requirements, by

Paul E. Harath
Director of Planning and Inspection

4. As to Substance, by

Paul E. Harath
City Manager

Revision Date: June 7, 2005